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STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



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SUPERINTENDENT OF  
PUBLIC INSTRUCTION

## **FOOD SERVICE**

### **ADMINISTRATIVE POLICY NO. 6 SCHOOL YEAR 2002-2003**

**SUBJECT:** Changes in Inventory Control Regulations

**DATE:** January 10, 2003

Because of the changes in the commercial market and the food donation programs, the United States Department of Agriculture (USDA) tested the effects of allowing vendors to use commercial labels on some commodity products purchased for school. Commercial labeling had already been introduced in other USDA food donation programs with good results. However, commercial labels complicate the current inventory procedures that require commodity inventories to be kept separate from purchased inventories. Therefore, Food and Nutrition Service amended the current inventory requirements for USDA, Child and Nutrition Programs, in order to accommodate the use of commercial labels on some commodity products.

USDA amended the regulations at 250.14(b), 250.14(e), 250.14(f)(1) and (f)(2) to remove the requirement that "recipient agencies" inventory USDA donated food separately. The final rule was effective November 22, 2002.

It is recognized that schools currently must use generally accepted inventory and business management practices in order to safeguard commercially purchased products and maintain the financial integrity of their child nutrition operations. While Michigan Department of Education (MDE) is allowing recipient agencies to inventory commodity and commercial products together, some recipient agencies may choose to continue maintaining separate inventories of commodity and commercial purchases.

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